

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 16-850

ELECTRIC RENEWABLE PORTFOLIO STANDARD

**Modification of Renewable Portfolio Standard 2016 Class I Thermal
and 2017 Class III Requirements**

ORDER OF NOTICE

The Commission has determined that New Hampshire's electricity providers may not be able to procure sufficient renewable energy certificates (RECs) to comply with certain Renewable Portfolio Standard (RPS) requirements (RSA 362-F). Specifically, the Commission is considering whether it is reasonable to delay the RPS requirements for Class I thermal (new thermal) by one year and adjust Class III (existing biomass/methane) RPS requirements.

If the Commission does not take any action, the Class III requirement will increase from 0.5% in 2016 to 8.0% of retail electricity sales in 2017. Pursuant to RSA 362-F:4, VI, the Commission may, after notice and hearing, modify Class III Requirements "such that the requirements are equal to an amount between 85 percent and 95 percent of the reasonably expected potential annual output of available eligible sources after taking into account demand from similar programs in other states." In a recent default service hearing for Unitil Energy Systems, Inc. (DE 16-250), a witness indicated that while Unitil had procured some Class III RECs for 2016 compliance, it is uncertain whether market conditions have changed such that sufficient Class III RECs would be available to meet the increased 2017 Class III requirements. If RECs are not available, electricity providers must make alternative compliance payments (ACPs) into the Renewable Energy Fund to meet the RPS requirements.

The Commission also questions whether there will be sufficient Class I thermal RECs to meet the 2016 Class I thermal requirement. The Class I thermal requirement increases from 0.6 percent of retail electricity sales in 2015 to 1.3% in 2016. Pursuant to RSA 362-F:4, V, after notice and hearing, the Commission may for good cause delay by up to one year any given year's incremental increase in Class I RPS requirements.

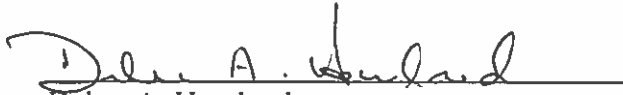
The order of notice raises, inter alia, issues related to whether it is appropriate and reasonable for the Commission pursuant to RSA 362-F:3, VI to adjust the RPS Class III requirements for 2017, and if so, how the adjustments should be calculated; and whether good cause exists for the Commission to delay by up to one year the incremental change from the 2015 to the 2016 Class I thermal requirement pursuant to RSA 362-F:4, V. Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that a Public Comment Hearing pursuant to N.H. Code Admin. Rules Puc 201.12 be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on December 6, 2016 at 1:30 p.m. for purposes of seeking comment of interested parties on the 2017 Class III RPS requirements and the Class I thermal RPS requirements for 2016.

FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, the Executive Director shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice on the Commission's website, www.puc.nh.gov, and by electronic mail to the electric distribution utilities and competitive energy suppliers.

By order of the Public Utilities Commission of New Hampshire this tenth day of
November, 2016.


Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

